



## **U.S. Department of State FY 2000 Country Commercial Guide: Uganda**

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### **I. EXECUTIVE SUMMARY**

This Country Commercial Guide (CCG) presents a comprehensive look at Uganda's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. CCGs are prepared annually at U.S. Embassies through the combined efforts of several U.S. Government agencies.

Uganda boasts a growing economy with generally low, stable rates of inflation. While the market is small and average income is low, Uganda is currently considered to be a major success story in Sub-Saharan Africa. Uganda

has taken substantial strides to liberalize the economy, maintain low inflation and allow the economy to grow, which it has done at high rates since the National Resistance Movement took power in 1986. GDP growth, which averaged over seven percent in the three previous years, was five percent in 1996/97 and 1997/8. According to the IMF and the Government of Uganda (GOU), GDP growth was 7.8 percent in 1999/9, with non-traditional growth areas continuing to show strength. The GOU is privatizing parastatals, revising regulations to promote foreign investment and following IMF guidelines to restructure the economy. Nonetheless, privatization has been beset by corruption, the financial sector has been affected by bank failures, and the banking sector is poorly regulated. Uganda's development of capital markets has been anemic. International donors provide crucial budgetary assistance amounting to 55 percent of government expenditures in 1998/9.

Ugandan attitudes toward the U.S. are favorable, as are business attitudes generally. However, Uganda has traditionally traded with nearby countries, South Africa, and with Europe, especially the United Kingdom. American manufacturers wishing to export to Uganda must overcome buyers' comfort with familiar trading partners and concern about the ability of American manufacturers to provide parts and service. Transportation costs from the United States tend to make some U.S. goods less competitive. Also, new products often compete with used goods (especially in automobiles and clothing). Prospects for U.S. investment in Uganda are in the following sectors: agriculture, food processing, livestock, tourism, infrastructure, and transportation, import substitution, light manufacturing, mining, and telecommunications.

The barriers to doing business in Uganda include problems with financing, corruption, transportation costs, poor infrastructure, inefficient government services (especially in the Immigration Department, Customs Department, and Uganda Revenue Authority), and the fact that the economy is emerging from a history of government intervention and significant government mismanagement. Roadblocks particular to American companies include Uganda's traditional links to East Africa and the United Kingdom. Most development projects are funded by outside donors who often informally link their money to purchases from companies based in their own country. Some non-American businesses competitors use bribery to influence government action.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at <http://www.stat-usa.gov>, <http://www.state.gov/>, and <http://www.mac.doc.gov>. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRAD(E) or by fax at (202)482-4473.

## **II. ECONOMIC TRENDS AND OUTLOOK**

### Major Trends and Outlook

The economy of Uganda has shown a steady recovery since 1987 when the Government of Uganda put into place an Economic Recovery Program Plan with assistance from the World Bank and the IMF. As a result of the GOU's commitment to reforms, Uganda's annual Gross Domestic Product (GDP) growth averaged six percent during fiscal years 1986-1994 and eight percent in 1995 and 1996. In 1997, GDP growth slowed to five percent. Current announced GDP growth of 7.8 percent is subject to some dispute. Recent lower GDP growth rates are attributed to poor performance in the agriculture sector due to bad weather, and smaller increases in direct foreign investment, most of which has come from expatriate Asians investing in repatriated property. Growth over the past ten years has occurred across in many sectors such as manufacturing, mining, transport, communications, and construction - nearly doubling the size of the Ugandan economy.

However, Uganda remains one of the poorest countries in the world (ranking 159 out of 175 nations in the UNDP's 1997 Human Development Index), with low per capita income and high rural poverty, which has not been significantly ameliorated despite good growth figures. The country is favored with a mild climate and fertile soil, but the economic mismanagement that accompanied the civil war in the 1970's and early 1980's debilitated the country. The economic programs followed by the GOU during the past thirteen years have put Uganda on the right track, but it is still a long way from providing a high standard of living for its people. Access to health and sanitation services is poor, and large numbers of Ugandans suffer from malnutrition. With massive donor assistance, the GOU

has embarked on a program of Universal Primary Education (UPE) and has increased public expenditure on other social and health, and economic services. Uganda was recently involved in the conflict in the Democratic Republic of the Congo (DROC). This war diverted resources from social programs and resulted in the IMF suspending disbursements in February 1999. The GOU has addressed many IMF concerns, and the country is likely to be declared back on track in the near future.

Inflation, which ran at 240 percent in 1987 and 42 percent in mid-1992, was 11.8 percent for fiscal year 1996/97 and under five percent for 1997/8 and 1998/9. Temporary shortages of food pushed caused a spike in prices in late 1997 and early 1998. The exchange rate has been somewhat volatile in the past year. Overall, the Uganda shilling declined about 30 percent against the dollar in the past year. Uganda benefited from the HIPC Initiative (Heavily Indebted Poor Countries), receiving over \$650 million in debt relief spread over 30 years (with \$200 million occurring in the first five years) starting in 1998. Although Uganda boasts 13 years of political stability and economic reform, continued high growth will depend on the GOU's ability to limit corruption, attract foreign investment, promote NTAE's, improve infrastructure, deepen regional integration in East Africa, and extricate itself from the conflict in the DROC.

### Principal Growth Sectors

Agricultural production represents a considerable proportion of Uganda's GDP and generates over 90 percent of export earnings. Coffee provides between 60 and 70 percent of export earnings. There is significant potential for substantial increases in agricultural production in a wide variety of areas, including non-traditional exports such as flowers, vanilla, silk and traditional exports such as cotton, tobacco and tea.

Construction and infrastructure are also principal sectors. Uganda plans to build one to three hydroelectric projects on the Nile River through the next decade in order to address Uganda's increasing shortage of electric power. Uganda currently exports electricity to nearby countries, and this market will likely expand. On the supply side, one dam built in 1953 currently supplies all of Uganda's electric power.

The GOU is also putting emphasis on construction and maintenance of truck and feeder roads. Uganda's rural feeder roads cover about 13,000 miles but maintenance continues to be a major problem. Uganda's communications infrastructure has been growing rapidly with the establishment of a privately owned second national operator (SNO) and the pending privatization of Uganda Telecoms Limited (UTL).

#### Government Role in the Economy

The Government of Uganda is actively liberalizing the economy. The GOU's budget priorities for FY 1999/00 are defense, primary education, roads, and poverty alleviation. Foreign exchange, based on a market-determined exchange rate, can be freely purchased. Many public enterprises have been privatized or are scheduled for privatization. Nonetheless, the privatization process has slowed due to several failed deals, an overall lack of transparency, and rampant asset stripping. The GOU has failed to properly scrutinize buyers and has sometimes expected unrealistic prices for government enterprises. Moreover, the Bank of Uganda must increase its regulatory regime. Two major banks have recently been closed, others face possible closure, and instances of bankers making undisclosed, uncollateralized loans are common. The GOU is committed to reforming privatization procedures and is strengthening banking supervision.

#### Balance of Payments Situation

Uganda's balance of payments position deteriorated slightly in 1998/99, due to flat investment inflows and erratic coffee exports. Thus, the Bank of Uganda (BOU) experienced a decline of foreign exchange reserves US \$740 million in July 1998 to US \$692 million in July 1999.

#### Infrastructure Situation

Roads are in disrepair, and improvements are sporadic, despite GOU and international donor road programs. The network of feeder roads in rural areas is inadequate. The primary east-west road from the Kenyan border to Kabale is generally good, and the road from Kampala to Entebbe is being substantially improved.

Telephone service is poor with 50,000 ground lines for 20 million people. However, in the past year, the mobile GSM phone market has grown from about 8,000 subscribers to about 50,000 subscribers, as the old monopoly GSM provider was challenged by the Second National Operator

(SNO), MTN of South Africa. The vast majority of Ugandans still do not have a telephone. Ugandan Telecom Ltd. (UTL) is selling a 51 percent share to a private buyer. Pay phones are increasing in number. Two companies, one a U.S. firm named StarCom, have brought cellular and mobile trunk radios to Uganda. UTL's long distance service is expensive. StarCom, along with another American Firm, Swift Global, offer internet service.

There are a number of airfields in Uganda, but apart from Entebbe International Airport, they are served only by charter or private airplanes. Uganda's most troublesome infrastructure problems lies in Kenya - the corrupt and inefficient port of Mombasa and the poor condition of the road between Mombasa and Kampala. The vast majority of Uganda's exports and imports travel through this port and road. Generally, transporting a container of goods between Mombasa and Kampala will take twice the time and expense as transporting that same container between London and Mombasa.

Uganda's electricity deficit increases monthly. Load-shedding and power surges are common and can cause computers and other business equipment to have problems. Homes and businesses require a generator. The Uganda Electricity Board (UEB) is due to be privatized. It currently suffers from inefficiency, corruption, and frequent management turnover.

### **III. POLITICAL ENVIRONMENT**

#### Nature of the Bilateral Relationship With the United States

The United States and Uganda enjoy excellent bilateral relations, highlighted by the visit of President Clinton to Ugandan in March 1998. In fiscal year 1999, the United States donated about \$80 million to support Uganda's education and health efforts in addition to the democratization process, continuing economic reform, and humanitarian relief.

#### Major Political Issues Affecting Business Climate

The main political issues which affect the business climate in Uganda are corruption in government and business enterprises, active guerilla movements in the northern and western parts of the country, the party referendum, and land reform. In July 1999, Parliament passed a referendum bill that establishes a referendum to determine whether parties other than the "no-party" National Resistance Movement will be allowed to fully

exist. The vote will occur in 2000. Land tenure has been changed by the Land Bill passed in early 1999. Nonetheless, the multiple types of land tenure and inadequate title registry still cause confusion. Foreigners can lease land, but cannot own it. Leases usually range from five to 99 years. Major changes to land law are being introduced, and should simplify the issue of tenure.

#### Brief Synopsis of Political System. Schedule for Elections and Orientation of Major Political Parties

Uganda promulgated a new Constitution in October 1995 and held a presidential election in May 1996, followed by parliamentary elections in June. The 1995 Constitution provided for a strong executive president, to be elected every five years, but with significant requirements for Parliamentary approval of presidential actions. The Parliament includes 214 directly elected representatives from geographical constituencies and special indirectly elected seats for representatives of women (39), youth (5), disabled (5), labor (3), and the Army (10). Under the transitional provisions of the new Constitution, the non-party "movement" system of government, including explicit restrictions on the activities of political parties, will continue for five years, with a referendum in the fourth year (2000) to determine whether Uganda will adopt a multiparty system of government.

#### **IV. MARKETING U.S. PRODUCTS AND SERVICES**

##### Distribution and Sales Channels

Products are generally distributed through small distributors, who then sell products to smaller shopkeepers. However, larger distributors and distribution networks such as Lonrho United Kingdom and Metro from South Africa are changing sales patterns.

##### Use of Agents/Distributors: Finding a Partner

The Uganda Manufacturers Association (UMA) maintains a reading room and often fields inquiries from agents and distributors or companies looking for outside partners. The UMA does not maintain a formal network. The Ugandan National Chamber of Commerce and Industry may also assist with identifying local agents and distributors. See Appendix C for contact information on these two organizations. The Commercial Section at the U.S. Embassy can also be of assistance in this area. Nonetheless, it would be difficult to choose an agent or distributor

without visiting Uganda, surveying the situation, and then interviewing candidates.

### Franchising

There are few franchises operating in Uganda; no U.S. food company or retailer has opened establishments in Uganda to date. Caltex, the U.S. based fuel company, and the other fuel companies, however, do offer their service stations on a franchise basis.

### Direct Marketing

Most foreign products are marketed through a local company with experience/expertise in the respective area.

### Joint Ventures/Licensing

There are no restrictions on foreign ventures with local investors.

### Steps to Establishing an Office

The Uganda Investment Authority (UIA) is the GOU's organization which facilitates the registration and licensing of foreign firms. The UIA can assist companies wishing to establish an office by providing advice on registry, licensing, immigration, tax, and customs matters, and sub-licenses and permits.

The UIA has not completely lived up to its promise as a one-stop office. Once investors leave the friendly confines of the UIA, they face more difficult receptions in government agencies such as the Uganda Revenue Authority and the Immigration Department within the Ministry of Internal Affairs. Corruption and ineptness can be encountered. Moreover, other government ministries can actively intercede to impede (or sometimes assist) a business venture. A local partner may be able to ease some of these difficulties. Office space which meets reasonable standards is rare, but the quality of available offices is improving, and rents are declining in Kampala.

### Selling Factors/Techniques

Products are marketed through advertising in newspapers and on radio and television. These are fairly new selling techniques for Uganda, and they appear to be very popular and successful. For example, Coke and Pepsi have run successful promotions with contests based on collecting bottle caps or finding bottle caps with special symbols.



Radio and newspaper advertising dominate. Television advertising has not been fully developed.

#### Advertising and Trade Promotion

There are several advertising agencies in Kampala, including Media Consultants Ltd., a McCann-Erickson affiliate; tel: 256-41-231-212 and fax: 256-41-236-042.

Major newspapers and business journals include:

The New Vision, P.O. Box 9815, Kampala, tel: 256-41-235-209 and fax: 256-41-235-843

The Monitor, P.O. Box 12141, Kampala, tel: 256-41-236-939 and fax: 256-41-232-369

Radio and television stations include:

Radio Uganda, P.O. Box 7142, Kampala, tel: 256-41-257-257  
Radio Sanyu, P.O. Box 30961, Kampala, tel: 256-41-285-494  
Capital Radio, P.O. Box 7638, Kampala, tel: 256-41-235-092/3/4  
RadioOne, P.O. Box 4587, Kampala, tel: 256-41-344-385

Simba Radio, P.O. Box 31564, Kampala, tel: 256-41-543-672  
Uganda TV, P.O. Box 7142, Kampala, tel: 256-41-245-376  
Sanyu TV, P.O. Box 30961, Kampala, tel: 256-41-234-250/30  
MNET, P.O. Box 2373, Kampala, tel: 256-41-341-431/38  
WBS Television, P.O. Box 5419, Kampala, tel: 256-41-344313/4

Lighthouse Television, P.O. Box 23934, Kampala, tel: 256-41-543475/543435

#### Pricing Product

Pricing is based on what the market will bear, tempered by the nearby Kenya marketplace and, increasingly, imports from South Africa. Generally, European and North American goods and services are quite expensive, and there is little local competition to moderate prices. For any large-scale equipment or services, the competition is with large European and Asian companies. Fuel, clothing, and consumer and electronic goods are often smuggled across the border to evade customs taxes. These smuggled goods create a large gray/black market that undercuts legitimate distributors. In addition, Uganda has a large demand for used clothing, cars, and equipment.

#### Sales Service/Customer Support

Customer support can be a major issue for American products being sold in Uganda. U.S. manufacturers need to

adequately demonstrate that they can supply spare parts. Moreover, they should carefully select, train, and monitor service providers for their products.

### Selling to the Government

Most government purchases are made through tendering. The Central Tender Board controls tendering, and advertises in the newspapers and by sending invitations to organizations in Kampala. SWIPCO, a U.S. based company, is currently responsible for auditing all procurement of \$50,000.00 and above by GOU ministries and parastatals.

### Protecting Your Product from IPR Infringement

The Investment Code of 1991 makes provisions for foreign exchange remittances with respect to transfer of foreign technologies. In order to benefit from this, investors must have registered agreements with the Uganda Investment Authority regarding the transfer of technology.

Under Section 32 of the Patents Statute of 1991, the Registrar of Patents awards patents for an initial period of 15 years, with a possible five-year extension if a request is made one month before expiry of the original term.

Bootlegging of cassettes and videos is common, and any visitor to Kampala has the opportunity to purchase recent music and movies for a minimal price. U.S. firms marketing goods which can be copied easily with relatively low technology should be aware that bootlegging of their product is a possibility.

### Need for a Local Attorney

Generally, Ugandan courts are not an effective venue for solving civil disputes involving foreigners. Nevertheless, a knowledgeable and reputable local attorney can offer sound business advice. A list of attorneys, some of whom were educated in the United States, is available from the Consular Section at the U.S. Embassy.

### Performing Due Diligence

Credit reporting is in its infancy in Uganda and due diligence is difficult to perform. Sellers are advised to collect as much of the price in cash as possible and to collateralize all loans. Sellers should also be aware that fraud is widespread and that accounts and bank

statements may not reflect actual financial data. Rather than accepting documents at face value, it is best to ensure their accuracy with a high level person in the respective financial institution or accounting firm. Similarly, it is advisable to contact other persons who transact business with the firm being researched, especially other foreign customers and providers. PriceWaterhouseCoopers, Ernst & Young and Deloitte & Touche operate in Uganda. In addition, U.S.-based CitiBank and Merchant Bank of East Africa will begin operations in Uganda in Summer 1999. In addition, USAID has funded the newly-opened Uganda Business Information Bureau, UCB Building, Short Tower, Third Floor, Plot 12 Kampala Road, Tel: 256--41-233628/349059, Fax: 256-41-234259, e-mail: uib@starcom.co.ug.

## **V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT**

### **Best Prospects for Non-Agricultural Goods and Services**

Sector Rank: 1

Sector Name: Foods - Processed and Food

Processing/Packing

Equipment

ITA Industry Code(s): FOD/FPP

Uganda derives most of its production and the vast majority of its exports from agriculture. Agricultural processing is only beginning. There are investment opportunities in processing and packaging coffee, tropical fruits and fruit juices, and nontraditional crops such as vanilla.

Sector Rank: 2

Sector Name: Infrastructure: Construction Equipment,

Electrical Power Systems, Pumps-Valves-Compressors

ITA Industry Code(s): CON/ELP/PVC

Uganda has a pressing need for roads and power. Moreover, international financial institutions and donors are interested in participating in these projects. Uganda lacks the feeder roads essential to bringing crops to market and is also improving its primary road network. Hydroelectric power projects will occupy Uganda well into the next century as an Italian firm completes an extension of Owen Falls dam. An American firm, AES, is anticipating parliamentary approval of a 270 megawatt, \$500 million hydroelectric project further up the Nile River.

Sector Rank: 3

Sector Name: Telecommunications  
Equipment/Telecommunications  
Services  
ITA Industry Code(s): TEL/TES

The GOU established a second national operator (SNO) in late 1997, won by a consortium led by MTN of South Africa. The GOU is attempting to sell 51 percent of the state operator, UTL, to a private investor. There may be room for smaller projects such as wireless local loops. Uganda currently has only 50,000 lines for a nation of 21 million people. Currently, MTN has about 40,000 GSM customers and Celtel has about 8000 GSM customers. As the SNO, MTN will be required to install between 60,000 and 90,000 fixed lines throughout the country. A similar build-out requirement will probably be negotiated with the purchaser of UTL.

Sector Rank: 4  
Sector Name: Travel/Tourism Services  
ITA Industry Code: TRA

The March 1999 attack on gorilla trekking tourists at Bwindi National Park damaged what had been a small but growing tourism industry. Insurgencies in the North and West of Uganda, bombings in Kampala, and the conflict with neighboring DROC have also discouraged potential visitors. Nonetheless, Uganda is one of only three countries with rare mountain gorillas in Bwindi and Mgahinga National Parks, and security has been increased. In addition, Uganda boasts two significant game parks, Queen Elizabeth and Murchison Falls, and a few smaller parks. The country needs upgraded tourist facilities and an improved transportation network.

Sector Rank: 5  
Sector Name: Light Manufacturing (Import Substitution and Exports): Household Consumer Goods, Cosmetics/Toiletries, Footwear, Furniture, Textile Fabrics  
ITA Industry Code(s): HCG/COS/FOT/FUR/TXF

Manufacturing has increased significantly in Uganda over the past five years. Most production has centered on import substitutes in less complex products such as plastic goods and textiles. A small but growing middle class in Uganda forms a ready market for these items. However, tariffs in the East African Community (Kenya, Tanzania, and Uganda) are due to be reduced or eliminated by 2001. Therefore, goods will need to be competitive with those from neighboring countries. There has been significant foreign investment in the past two years in

the beverage industry with Coca-Cola, Pepsi, SAB, and Guinness leading the way.

Sector Rank: 6

Sector Name: Mining: Mining Industry Equipment, Non-Ferrous Metals

ITA Industry Code(s): MIN/NFM

Mining: Uganda is endowed with a great diversity of geological formations and structures. While mining used to contribute 30 percent of Uganda's foreign exchange earnings in the 1960s, it now contributes a negligible amount. Many minerals and metals can be found in Uganda including: copper, cobalt, gold, tin, tungsten, and oil. Exploration, research and development, and eventual mining may be good investment opportunities. European mining firms are involved in a \$100 million cobalt-reprocessing project at Kilembe.

Sector Rank 7:

Sector Name: Marine Fisheries Products (Seafood)

ITA Industry Code: MFI

Uganda has an abundance of Nile perch and tilapia which are processed locally and exported. However, the EU currently bans fish from Uganda due to quality control issues. Lake Victoria, the source of these fish, is the second largest fresh water lake in the world.

#### Best Prospects for Agricultural Products

Uganda's agricultural land is considered among the best in Africa, with two seasons of good rainfall for the Southern half of the country and low temperature variability. Agriculture accounts for a large percentage of GDP and an even larger percentage of export earnings. Agricultural production and processing will remain the main stay of Uganda's economy for the foreseeable future. The country produces a wide range of food, most of which is grown organically. Some of the bottlenecks to the expansion of agricultural investment include the lack of high quality packaging capabilities, storage facilities, high freight costs, lack of feeder roads in rural areas, and untrained manpower. Most crops are grown on small plots with few or no inputs. Nonetheless, the following offer good investment opportunities:

Traditional crops such as coffee, cotton, tea and tobacco: rehabilitation and production of these once large exports/foreign exchange earners is ongoing.

Fruit and vegetable processing: particularly for canning pineapple and producing frozen or pulps or juice concentrates from various tropical fruits, including passion fruit, mango, pineapple and papaya.

Edible oil production: Uganda's current needs for edible oil are being met by imports. Production of oil seed crops has been established on a small scale but could be readily increased.

Staple food crops processing: staple food crops grown in Uganda include plantains, millet, sorghum, maize, beans, cassava, sweet potatoes, groundnuts (peanuts), rice, wheat and Irish potatoes.

Flowers: roses and carnations are currently grown in Uganda and exported to Europe. Given Uganda's climate, both seeded annuals and perennials are suitable for commercial development.

Fisheries: roughly 20 percent of Uganda is covered by water. Nile perch and Nile tilapia are in abundance. River and lake fishing, fish farming and fish processing are possibilities.

Livestock: Uganda boasts a growing livestock industry centered on Ankole cattle. There is a demand for better breeding techniques, as well as feed and veterinary care.

## **VI. TRADE REGULATIONS AND STANDARDS**

### Trade Barriers

In order to reduce costs and increase competitiveness, all 30 percent import duties were reduced to 15 percent in 1998. Excise surcharges have been unified at 10 percent. Further reductions are planned during the next two years.

Import bans have been phased out for beer, soda, batteries and cigarettes. Small reductions in fuel duties were introduced in an attempt to reduce costs for producers and transporters. The GOU has promised to lower these rates further in the next few years.

### Customs Valuation

Uganda follows the Harmonized System (HS) of categorizing goods. All imported goods are subject to an Intertek Testing Services (ITS) pre-shipment inspection in the

country of origin. The ITS pre-shipment inspection covers:

Verification of the quantity and quality of imported goods to ensure conformity with contractual specifications

Price comparison to ensure that the price of imported goods corresponds to the prevailing export market price of comparable goods

Verification of the customs classification code and evaluation of the dutiable value of imported goods according to Uganda Customs Regulations.

The GOU is attempting to improve the Customs Administration by installing an internationally recognized computerized documentation system and a new pre-shipment inspection threshold of \$5000.00. Uganda is planning to adopt the GATT definition of value in place of the Brussels definition, in order to comply with WTO requirements.

#### Tariff Rates

#### Import Licenses

Import certificates, which are non-good-specific, are required and have a validity of 6 months. The certificates take the place of import licenses.

Form E (Declaration of Imports) can be processed by commercial banks and foreign exchange bureaus. All importers are required to complete Form E.

#### Export Controls

Items which cannot be exported without prior authorization by the Ministry of Trade and Industry include:

- Waste and scrap of ferrous cast iron
- Wood charcoal
- Timber from any wood trees grown in Uganda whether sawn, unsawn, hewn or machined (but not any other articles manufactured from such wood)
- Coffee husks
- Fresh unprocessed fish

- Game trophies

#### Import/Export Documentation

The following supplementary documents may be required by the Uganda Revenue Authority at the entry point whenever the following goods are imported:

- Human and animal drug medications: Verified pro-forma invoices from the Pharmacy Board
- Firearms: Firearms Certificate
- Live animals (domestic and wild): Health Certificate
- Wild endangered species: Approval Authority
- Secondhand clothing: Fumigation Certificate
- Explosives: Approval Authority
- Seeds and plants: Phytosanitary Certificate

The following supplementary documents will be required at the Customs exit whenever the following goods are exported:

- Fish: Health Certificate and Trading License for fish
- Minerals: Permit to export minerals and Mineral Dealer's License
- Fresh/dry fruit, vegetables and produce: Phytosanitary health Certificate
- Game Trophies: Permit to export game trophies and wild animals
- Hides and skins: Export Buyers License, Export Certificate for hides and skins, Veterinary Health Certificate

#### Temporary Entry

Many products are shipped through Uganda on their way to eastern Congo and Rwanda. The Customs Administration has reduced the time allowed for goods to transit Uganda to 7 days.



### Labeling, Marking Requirements

The following information must be clearly marked on imports and exports: importer/exporter name, consignee, flight/vehicle details, place of discharge, number of packages, container identity, description of goods, air way bill number/bill of lading, and country of origin/destination.

### Prohibited Imports

The following items cannot be imported into Uganda:

- Pornographic Materials
- Used motor vehicle tires
- Imports banned under international agreements to which Uganda is signatory

### Standards

Importers/exports should contact the National Bureau of Standards for specific information on standards.

### Free Trade Zones/Warehouses

There are no free trade zones in Uganda. There are bonded warehouses.

### Special Import Provisions

Specific questions regarding import regulations should be directed to the Customs Administration. See Appendix C for contact information.

### Membership in Free Trade Arrangements

Uganda is a member of Preferential Trade Area (PTA) for East and Southern African States, the Common Market for East and Southern Africa (COMESA) and the Africa-wide Abuja Agreement. Duties and tariffs for countries in these groups, including South Africa, are significantly lower than duties for non-members. Also, Uganda, Kenya and Tanzania have formed the East African Cooperation (EAC) Secretariat and are actively strengthening regional economic ties.

### Customs Contact Information

Mr. Gershom Kaihura, Commissioner

P.O. Box 444, MTAC Nakawa  
Kampala, Uganda  
Tel: 256-41-222506/221857

## **VII. INVESTMENT CLIMATE**

### Openness to Foreign Investment

Uganda's policy and attitude toward foreign direct investment are positive. Nonetheless, GOU follow-through with investors is often lacking. Foreign investors may form 100% foreign-owned companies and majority or minority joint ventures with local investors with no restrictions. However, 100 percent foreign owned companies may not trade on Uganda's stock exchange (which has been inactive). Acquisition, takeovers and greenfield investments are permitted. However, work permits can be difficult to obtain, and the Uganda Revenue Authority often over-zealously targets foreign firms for payment of taxes.

### Right to Private Ownership and Establishment

Domestic private entities have the right to own property and other businesses and may dispose of them at will. Foreign private entities share these rights, except that they cannot own land. Ugandan law also stipulates that foreigners may not lease land for agricultural purposes. This law is currently under review. Most investors in agricultural production erect a plant to process goods, but use out-growers.

### Protection of Property Rights

The President and other senior government officials have repeatedly and publicly reaffirmed that private property will never again be arbitrarily expropriated. The GOU is currently returning land expropriated in the past under the Return of Asian Properties Act.

### Adequacy of Laws and Regulations Governing Commercial Transactions

Generally, Ugandan commercial laws, e.g., company and partnership law, were inherited from the British. Therefore, the rights and obligations of Ugandan partnerships are similar to those defined in the original English colonial statutes. Efforts are being made to update regulations and laws governing banking and financial institutions, the stock market, and the buying and selling of securities.

To encourage competition, the big marketing boards that dominated the agricultural landscape have been replaced by authorities and commissions with the power to write regulations.

Uganda lacks the legal infrastructure to adequately redress commercial grievances. However, the Government of Uganda, in cooperation with the USAID-PRESTO Project, has opened the Centre of Arbitration for Dispute Resolution (CADER).

#### Foreign Trade Zones/Free Ports

There are no free ports or foreign trade zones in Uganda at this time. A free trade zone is planned for Entebbe Airport.

#### Major Taxation Issues Affecting U.S. Businesses

In July 1996, Uganda began collection of a VAT at 17% for all businesses with an annual turnover of USH 50 million (roughly equivalent to \$35,000) or more. Employers must make monthly deductions of employee income taxes under the pay-as-you-earn (PAYE) system. PAYE rates are graduated and begin with an annual income of 1,560,000 USH for residents. There is no tax-free threshold for non-residents. Also, the GOU collects withholding taxes on dividends, interest, royalties, and other payments. This tax ranges from 4% to 15% for residents and 15% to 20% for non-residents. Corporate taxes stand at 30% for resident companies and 35% for non-resident companies.

#### Performance Requirements/Incentives

There are no performance requirements once the investment has been made. Tax holidays for certain foreign investments were eliminated in the 1997 GOU budget and replaced with accelerated depreciation incentives which are considered less attractive.

#### Transparency of the Regulatory System

The regulatory system is not always transparent and varies substantially by regulatory body.

#### Corruption

Corruption in Uganda has penetrated all levels of society. Public intolerance of corruption is growing, fueled by press reporting and parliamentary investigations. President Museveni has pledged that GOU

institutions will root out corruption; some progress has been made.

While there has been no systematic study of the breadth and impact of corruption in Uganda, business people believe that Uganda fares poorly when measured on an international standard. A 1996 Transparency International survey of business people's perceptions of the level of corruption in 54 nations of the world placed Uganda as the 12th most corrupt country. However, business people consider Uganda to be less corrupt than three of the four other African countries included in the survey.

International donors expressed their strong collective concern about corruption in Uganda at the December 1998 Consultative Group. Nearly every delegation cited corruption as a serious impediment to economic development.

### Labor

Education and skill levels are low in Uganda. Private sector businesspeople report that they prefer to train unskilled and semi-skilled workers on the job. Monthly salaries in 1998 generally ranged from \$60 to \$140 for unskilled labor, \$160 to \$270 for skilled labor, and \$350 to \$670 for a junior manager. Labor unrest is sporadic in Uganda, and labor unions are not strong. Employers must contribute an amount equal to 10% of the employee's gross salary to the National Social Security Fund (NSSF). Labor laws also specify procedures for termination of employment and termination payments. Foreign nationals cannot work in Uganda without a work permit.

### Efficiency of Capital Markets and Portfolio Investment

Uganda's stock exchange was inaugurated on 6 June 1997. The license to operate the exchange is held by the Uganda Securities Exchange (USE) Ltd., a company formed by eight licensed broker/dealers and investment advisers. Nonetheless, securities markets are virtually dormant in Uganda - the first stock issue is scheduled for initial public offering in September 1999. Businesses are averse to listing themselves on the stock exchange because the disclosure requirements could expose them to greater tax liability. Foreign owned companies are prohibited from trading on the Securities Exchange.

### Conversion and Transfer Policies

The Investment Code guarantees that investors who have invested \$500,000 can repatriate their investment and dividends and receive foreign exchange to pay debts incurred in the business. Investors have no difficulties obtaining foreign exchange. However, few investors have reached the point where they wish to repatriate profits; most are reinvesting profits in their businesses in Uganda.

#### Expropriation and Compensation

Uganda law allows expropriation for public purposes through a transparent process. Investors are guaranteed fair market value compensation within 12 months of the expropriation. Uganda is a member of the Multilateral Investment Guaranty Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID). The GOU is actively divesting and returning property confiscated in the past. The GOU has shown a willingness to consider debt/equity swaps in which government ownership in companies is being transferred to private sector minority shareholders on mutually acceptable terms.

#### Dispute Settlement

Uganda opened its first commercial court in August 1996. The main objective of the court is to deliver to the commercial community an efficient, expeditious and cost effective mode of adjudicating disputes. However, a shortage of judges, lack of funds, and minimal space have hampered its operations. The majority of business people settle disputes out of court to save time and money. The newly opened Centre of Arbitration for Dispute Resolution (CADER) should be able to assist in commercial disputes.

#### Political Violence

Political violence recently increased in Kampala with the 1998 and 1999 bombings of several popular restaurants nightclubs, and other public places. Eight foreign tourists, including two Americans, were murdered by an Interehamwe guerilla group in Bwindi National Forest in March 1999. There has been rebel activity in the northern and western sections of Uganda. Although security concerns seem to be abating, American citizens considering travel and employment/investment in these areas should contact the U.S. Embassy for current security information.

#### Bilateral Investment Agreements

Uganda has signed few bilateral investment agreements. However, in March 1998, Uganda signed an OPIC (Overseas Private Investment Corporation) agreement, allowing OPIC to broaden the scope of its activities here.

#### OPIC and Other Investment Insurance Programs

Uganda is a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and is a member of the International Center for the settlement of Investment Disputes (ICSID). Uganda has also signed an agreement with OPIC.

#### Capital Outflow Policy

Capital flows freely in and out of Uganda.

#### Major Foreign Investors

Most investors in Uganda are people who have experience with the country. This includes British and Indian firms, as well as large numbers of Kenyan and South African firms. U.S. firms active in Uganda include: Pepsi, Coca-Cola, Caltex, Sheraton, StarCom, CitiBank, Rank Xerox, Cargill, AES, Colgate Palmolive, Swift Global, and a number of others. Companies which have representatives in Uganda through authorized dealers or partnerships include IBM, Hewlett-Packard, GM, Ford, Ernst & Young, PriceWaterhouseCoopers, Deloitte & Touche, and Caterpillar.

### **VIII. TRADE AND PROJECT FINANCING**

#### Brief Description of the Banking System

Uganda's formal financial system is small and weak. The system includes Uganda's central bank, the Bank of Uganda (BOU), eighteen commercial banks, and two development banks. Three banks were closed by the BOU in September 1998, and two major banks were closed in 1999. On paper, the BOU has adequate auditing standards. However, it lacks auditors and regulators have reportedly overlooked BOU requirements for some troubled banks. To promote and maintain a sound and reputable financial sector, the Bank of Uganda has placed a moratorium on the licensing of banks and credit institutions offering banking services in the urban areas. New investors allowed entry into the sector must offer completely new financial services or take over existing banks. A deposit insurance fund with contributions from the GOU and banks has been put in place to protect depositors. The soundness of this fund is unknown.

## Foreign Exchange Controls Affecting Trading

There are no foreign exchange controls affecting legitimate trade.

## General Financing Availability and Terms of Payment

Finance is a major issue in Uganda. Banks are generally weak and hesitant to lend. In a survey by the Uganda Investment Authority completed in April 1995, the single most important impediment to investment in Uganda cited by investors was lack of finance. This is still a generalized sentiment.

While general financing is available through commercial banks and credit institutions, the interest rate spread over deposit rate is extremely high. Time periods for loan repayment are extremely short.

## Types of Export Financing and Insurance Available

Eximbank is open in Uganda for short to medium term loans. OPIC is also open and can provide political risk insurance as well as financing for projects.

The Bank of Uganda provides export credit guarantee schemes which can be used through commercial banks. Letters of credit and other standard instruments are also used. GSM 102 credits have been available, but future availability depends on the soundness of participating banks.

## Types of Project Financing Available

Multilateral institutions active in Uganda include the World Bank and the African Development Bank, as well as several European , institutions. Major development projects, in health, education, agriculture, and infrastructure, are financed by bilateral donors and/or international organizations.

## Banks With Correspondent U.S. Banking Arrangements

Uganda Commercial Bank -- CitiBank, New York  
Gold Trust Bank -- CitiBank, New York  
Nile Bank -- CitiBank, New York  
Barclays Bank (U) Ltd -- Barclays Bank PLC, New York  
Bank of Baroda -- Chase Manhattan Bank, New York  
Stanbic -- Bankers Trust, New York  
Standard Chartered Bank -- Standard Chartered, New York

## **IX. BUSINESS TRAVEL**

### Business Customs

Business decisions are often made by a group. Ugandans like discussing business issues with others before making decisions. Ugandans want to get to know people they are dealing with and beginnings of meetings are generally occupied with introductory conversation about people's backgrounds and families. Refreshments are served at business meetings. Good gift choices to bring from abroad would be business-related items such as the item the company makes or wishes to sell.

Ugandans are quite conservative in the way they dress. outlandish clothing or the exposure of large areas of one's body are uncommon. Women conventionally wear dresses; men wear business suits.

It is not uncommon for Ugandans to arrive late for an event, and for meetings to run over their scheduled time.

### Travel Advisory and Visas

The current Consular Information Sheet, dated July 1, 1999, is reprinted below.

**Country Description:** Uganda is a developing east African nation. Tourism facilities are adequate in Kampala, the capital, but are limited in other areas.

**Entry Requirements:** A passport and visa are required. Ugandan authorities are temporarily issuing visas upon arrival at Entebbe Airport, near Kampala. However, Ugandan officials have stated that visa issuance at the port of entry may not be available at a later date. All travelers to Uganda are urged to procure a visa from the nearest Ugandan Embassy or Consulate at their earliest convenience as processing delays are possible as Ugandan missions expand their visa-issuing infrastructure. Further information may be obtained from the Embassy of the Republic of Uganda, 5909 16th Street, N.W., Washington, D.C. 20011; telephone (202) 726-7100, or the Ugandan Permanent Mission to the United Nations, telephone (212) 949-0110. Overseas, inquiries may be made at the nearest Ugandan Embassy or consulate.

**Safety/Security:** U.S. citizens living in or planning to visit Uganda should be aware of threats to their safety from insurgent groups, originating both within and outside of Uganda, particularly in northern and western Uganda. They have at times specifically targeted U.S.



citizens. These groups have engaged in murder, armed attacks, kidnapping and the placement of land mines. In March 1999, one of these groups murdered eight foreign nationals, including two U.S. citizens. Incidents occur at random with little or no warning. Ongoing hostilities between the Government of the Democratic Republic of Congo (DROC) and rebels in that country could prompt military attacks in Uganda, a supporter of the rebels in the DROC. Also, several incidents of banditry and armed robbery have occurred in the northern and western districts of Uganda.

Travelers who track gorillas at Bwindi Impenetrable Forest remain subject to the risk of continued rebel attacks, such as the one in March 1999. Those who track gorillas in Bwindi are advised not to stay overnight in the park despite the increased presence in the park of the Ugandan Army, who often accompany tourists on gorilla tracking.

**Areas of Instability:** U.S. Government employees must have permission from the Chief of Mission to visit the following districts: Kotido, Moroto, Apac, Lira, Gulu, Kitgum, Kisoro, Rukungiri, Kasese, Moyo, Arua, Nebbi, Adjumani, Bundibugyo, and Kabarole. Currently, there are districts not on the preceding list which border or are near the border with the Democratic Republic of Congo. Travelers are reminded that although rebel activity from the DROC is often unpredictable, safety is usually enhanced by increased distance from that border. This list includes districts containing all or part of several national parks and is subject to change at any time. Tourists contemplating travel in any of these districts are advised to contact the U.S. Embassy in Kampala for the latest security information.

**Political Violence:** Grenade attacks have occurred occasionally at various public places in Kampala since July 1998. In addition, bombings with fatalities occurred in outdoor restaurants in April 1998, July 1998, and February 1999. U.S. citizens in Kampala are urged to exercise extreme caution when visiting both indoor and outdoor public facilities, including but not limited to bars, restaurants, hotels, and markets.

In August 1998, bombs were detonated on three commercial intercity buses originating in Kampala, killing more than 30 people. Travelers should avoid travel by intercity coach bus. Thus far, local and intercity public van service ("Matatus") have not been affected by the bombings.

Due in part to the violence described in this section and an assessment of the specific safety requirements of Peace Corps Volunteers, the Peace Corps suspended operations in Uganda in May 1999. In addition, most of the persons conducting primate research in Kibale Forest, Kabarole District, temporarily departed the forest in May 1999 due to continued rebel activity in the area. There has been no withdrawal of U.S. Embassy personnel from Uganda.

**Regional Terrorism:** One of the many rebel factions in the Great Lakes Region has committed, and continues to threaten, violence against U.S. citizens and interests. This faction was responsible for the March 1999 kidnapping and murder of several Western tourists in Uganda. A rebel faction was responsible for the kidnapping of four foreign nationals in August 1998 in a region of the Democratic Republic of Congo that borders Uganda. Rebel factions are known to operate in northeastern Democratic Republic of Congo and the surrounding areas, including sections of Uganda, Rwanda, Tanzania, and Burundi.

**Crime Information:** Incidents of armed vehicle hijackings and armed highway robbery are frequent throughout the country. Although these attacks are often violent, victims are generally injured only if they resist. In October 1998, U.S. Embassy employees were advised against using back roads at night in Kampala after a series of incidents on secondary roads in which vehicles were fired upon without warning or provocation. Females traveling alone are particularly susceptible to crime, as an American woman was murdered in 1998 in a four-star Kampala hotel. Several violent attacks occurred in Kampala and other parts of the country in 1998. Crimes such as pickpocketing, purse snatching and thefts from parked vehicles or vehicles stalled in traffic jams are common. These offenses also occur on public transportation. Passengers should not accept food or drink from a stranger, even a child, as such food may contain narcotics used to incapacitate a victim and facilitate a robbery.

The loss or theft abroad of a U.S. passport should be reported immediately to local police and to the nearest U.S. Embassy or Consulate. The pamphlets [A Safe Trip Abroad](#) and [Tips for Travelers to Sub-Saharan Africa](#) provide useful information on personal security while traveling abroad and on travel in the region in general. Both are available at the Bureau of Consular Affairs home page, <http://travel.state.gov>, and from the Superintendent of Documents, U.S. Government Printing

Office, Washington, D.C. 20402 or via the Internet at [http://www.access.gpo.gov/su\\_docs](http://www.access.gpo.gov/su_docs).

**Medical Facilities:** Medical facilities in Uganda, including Kampala, are extremely limited and not equipped to handle most emergencies, especially those requiring surgery. Hospitals are scarce and extremely basic outside of Kampala. Equipment and medicines are often in short supply or unavailable.

**Medical Insurance:** Doctors and hospitals often expect immediate cash payment for health services, and U.S. medical insurance is not always valid outside the United States. The Medicare/Medicaid program does not provide for payment of medical services outside the United States. Check with your own insurance company to confirm whether your policy applies overseas, including a provision for medical evacuation. Ascertain whether payment will be made to the overseas hospital or doctor, or whether you will be reimbursed later for expenses you incur. Some insurance policies also include coverage for psychiatric treatment and for disposition of remains in the event of death. Travelers to Uganda are strongly urged to consider supplemental medical/travelers' insurance, with specific coverage for medical evacuation from overseas and for disposition of remains in case of death, as these policies are inexpensive when compared to the costs of a medical evacuation.

Useful information on medical emergencies abroad, including overseas insurance programs, is provided in the Department of State, Bureau of Consular Affairs brochure, [\*Medical Information for Americans Traveling Abroad\*](#), available via its home page at <http://travel.state.gov> and autofax at (202) 647-3000.

**Other Medical Information:** Information on vaccinations and other health precautions may be obtained from the Centers for Disease Control and Prevention's international traveler's hotline at telephone: 1-877-FYI-TRIP (1-877-394-8747); fax: 1-888-CDC-FAXX (1-888-232-3299), or by visiting the CDC Internet home page at <http://www.cdc.gov>.

**Road Safety Conditions And Domestic Travel Hazards:** While in a foreign country, U.S. citizens may encounter road conditions which differ significantly from those in the United States. The information below concerning Uganda is provided for general reference only and may not be totally accurate in a particular location or circumstance.

Safety of Public Transportation: Poor  
Urban Road Conditions/Maintenance: Poor  
Rural Road Conditions/Maintenance: Poor  
Availability of Roadside Assistance: Poor

Bandit activity in some areas is both frequent and unpredictable. Accidents are common and often fatal. Highway travel at night is particularly dangerous.

Aviation Safety Oversight: As there is no direct commercial air service by local carriers at present, or economic authority to operate such service, between the U.S. and Uganda, the U.S. Federal Aviation Administration (FAA) has not assessed Uganda's Civil Aviation Authority for compliance with international aviation safety standards. For further information, travelers may contact the Department of Transportation within the U.S. at 1-800-322-7873, or visit the FAA's Internet website at <http://www.faa.gov/avr/iasa.htm>. The U.S. Department of Defense (DOD) separately assesses some foreign air carriers for suitability as official providers of air services. For information regarding the DOD policy on specific carriers, travelers may contact the Pentagon at (703) 697-7288.

Criminal Penalties: While in a foreign country, a U.S. citizen is subject to that country's laws and regulations, which sometimes differ significantly from those in the United States and may not afford the protections available to the individual under U.S. law. Penalties for breaking the law can be more severe than in the United States for similar offenses. Persons violating Ugandan laws, even unknowingly, may be expelled, arrested, or imprisoned. Penalties for possession, use, or trafficking in illegal drugs in Uganda are strict and convicted offenders can expect jail sentences and heavy fines.

Photography Prohibition: Photography in tourist locations is welcome. It is inadvisable, however, to take pictures of military/police installations or personnel. Military and police officers have also detained tourists for taking photographs of part of Entebbe Airport and of the area around Owen Falls Dam.

Children's Issues: For information on international adoption of children, international parental child abduction, and international child support enforcement issues please refer to our Internet site at [http://travel.state.gov/children's\\_issues.html](http://travel.state.gov/children's_issues.html) or telephone (202) 736-7000.

Y2K Information: U.S. citizens contemplating traveling or residing abroad in late 1999 or early 2000 should be aware of potential difficulties. U.S. citizens may wish to consider taking practical precautions against possible disruptions of services triggered by the Y2K computer phenomenon. Monitor the home page of the Bureau of Consular Affairs for updates on Y2K issues.

Registration/Embassy Location: U.S. citizens are encouraged to register with the U.S. Embassy in Kampala and to obtain updated information on travel and security in Uganda. The U.S. Embassy address is: P.O. Box 7007, 10-12 Parliament Avenue, Kampala; telephone: 256-41-259-792/3/5.

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This replaces the Consular Information Sheet dated April 12, 1999 to update Safety/Security and Political Violence as well as to add the Children's Issues section.

### Holidays

The Government of Uganda does not celebrate a holiday on the workday before or after the actual holiday if it falls on a weekend. Businesses, however, may be closed and many business people unavailable on such a day. Major holidays celebrated in Uganda include:

New Years Day	January 1
Liberation Day	January 26
Good Friday	*
Easter Monday	*
International Women's Day	March 8
Labor Day	May 1
Idd-el-Fitr	*
Iddi Aduha	*
Uganda Martyr's Day	June 3
National Heroes Day	June 9
Independence Day	October 9

Christmas Day

December 25

Boxing Day

December 26

\* Date changes annually

### Business Infrastructure

The primary road network in Uganda is generally good, but maintenance is a problem. Roads in Kampala are being improved, although many are still filled with potholes. The secondary road system needs a great deal of work, and some unpaved roads become nearly impassable in the rainy seasons. A four-wheel drive vehicle is recommended.

International flights to and from Entebbe International Airport leave daily. Sabena, British Air, and Alliance offer routes to Europe. There are no direct flights to the U.S. Air service within the country is available through private charters. In November 1997, a Delta codeshare agreement with Sabena was approved by the Government of Uganda.

Although many local languages are spoken in Uganda (the most common in Kampala being Luganda), most business is conducted in English. Swahili is often understood but not frequently used in Kampala.

The communications infrastructure is substandard. Many people and businesses do not have telephones. Substantial bureaucratic red tape must be overcome to have a telephone installed. International direct dial is expensive but generally of good quality. Billing practices, however, have been mistake-prone. Access to international long distance carriers such as AT&T, MCI, and Sprint is extremely limited, even in first class hotels. Many business people in and around Kampala have mobile telephones. By the end of 1999, mobile service should extend to all major towns in Uganda; however, ground lines will remain fairly scarce. A satellite telephone is recommended for persons working outside of an urban area. Many businesses are now using fax machines and email regularly. Commercial e-mail and internet services are available. Fax and copying services are also available in shops in Kampala and at major hotels. Both telephone and fax charges at major hotels can be exorbitant.

Several different courier services compete for business in Uganda and in providing international services. DHL and Federal Express offer worldwide delivery.

Electricity problems including load-shedding and voltage fluctuations can cause problems for business machines such as computers. Stabilizers, surge protectors and even independent electrical generators may be necessary.

Housing is becoming more readily available because houses built for lease or rent are common investments in the greater Kampala area. Many of the houses aimed at western business people and organizations need significant upgrades to meet western standards.

Uganda has serious disease and health problems. malaria is endemic and is resistant to many anti-malarial drugs. Cerebral malaria is not uncommon. Most lakes and rivers are infested with bilharzia. The rate of HIV infection in Uganda is extremely high. Tuberculosis is becoming a major disease here. Although a new treatment plant for the Kampala water supply was commissioned in 1993, water from taps is not potable and should be boiled for 5 minutes and filtered before drinking. Vegetables should be soaked in chlorinated water before cooking.

#### Temporary Entry of Goods

Goods other than those for personal use are subject to customs duties upon arrival in Uganda. Goods brought into Uganda for exhibition at the Uganda Manufacturers' Association can be exempted from duties.

#### Product Pricing Structures

Pricing structures vary substantially. With Uganda's chaotic retail and distribution sectors and the prevalence of smuggled goods, pricing structures in most sectors exist informally, if at all.

#### A. Country Data

Population: 21 million

Population growth rate: 2.8% per annum

Religions: Christian (66%), Muslim (15%) and local religions or no religion (19%)

Government system: The President is the head of state; Parliament is the legislature. Below the Parliament is a hierarchy of elected district, county, subcounty, parish and village councils. Uganda also has a complex hierarchy of courts.

Languages: English is the official language and is used extensively for business, other languages include three major language families: Bantu, Central Sudanic and Nilotic. The most common local language in the Kampala area is Luganda. Swahili is also widely spoken.

Workweek: Monday through Friday. Shops and some businesses are open Saturday morning.

#### B. Domestic Economy

	FY97	FY98	FY99 (est)
GDP (USD millions)	5693	6178	5770
GDP growth rate (%)	4.5	5.4	7.8
GDP per capita (USD)	284	301	272
Inflation (%)	7.8	5.8	5.1
Foreign exchange Reserves (in months Of imports)	4.5	4.8	4.9
Average exchange Rate for 1 USD	1048	1150	1375
Foreign debt (USD millions)	3660	3629	3507
U.S. economic Assistance (USD millions)	53	50	50

#### C. Trade

	FY97	FY98	FY99 (est)
Total country Exports (USD millions)	837.5	633.7	748.4
Total country Imports (USD millions)	1246.3	1411.1	1370.5

#### D. Investment



	FY97	FY98	FY99 (est)
Total Investment As a percentage Of GDP	18.0	16.6	18.2
Private Sector Investment as a Percentage of GDP	12.8	11.5	13.0
Public Sector Investment as a Percentage of GDP	5.2	5.1	5.2

#### E. U.S. and Country Contacts

U.S. Embassy P.O. Box 7007 10-12 Parliament Avenue  
Kampala, Uganda tel: 256-41-259-792 fax: 256-41-259-794

#### Uganda Government Agencies/Authorities

Ministry of Finance  
P.O. Box 8147, Kampala  
tel: 256-41-234-700/9, fax: 256-41-341-397

Ministry of Tourism, Trade and Industry  
P.O. Box 4241, Kampala  
tel: 256-41-231-104, fax: 256-41-232-971

Ministry of Agriculture, Animal Industry and Fisheries  
P.O. Box 201, Entebbe  
tel: 256-42-20981

Ministry of Energy and minerals  
P.O. Box 7270, Kampala  
tel: 256-41-233-331

Customs Department  
P.O. Box 8147, Kampala  
tel: 256-41-221-427

Uganda Revenue Authority  
P.O. Box 7279, Kampala  
tel: 256-41-221-701

Uganda Investment Authority (UIA)  
P.O. Box 7418, Kampala  
tel: 256-41-234-105; fax: 256-41-242-903

## Uganda Trade Associations/Chambers of Commerce

### Uganda Manufacturers Association

P.O. Box 6966, Kampala  
tel: 256-41-221-034

### Uganda National Chamber of Commerce and Industry

P.O. Box 3809, Kampala  
tel: 256-41-258-791; fax 256-41-258-793

### Uganda Small Scale Industry Association

P.O. Box 7725, Kampala  
tel: 256-41-221-785; fax: 256-41-221-038

## Development Banks

### Uganda Development Bank

P.O. Box 7210, Kampala  
tel: 256-41-230-740; fax: 256-41-258-571

### East African Development Bank

P.O. Box 7128, Kampala  
tel: 256-41-230-021; fax: 256-41-259-763

## International Organizations

### International Monetary Fund P.O. Box 7120, Kampala

tel: 256-41-233-955; fax: 256-41-254-872

### World Bank

P.O. Box 4463, Kampala  
tel: 256-41-230-094; fax: 256-41-230-092

### CARE

P.O. Box 7280, Kampala  
tel: 256-41-258-568; fax: 256-41-235-880

### UNDP

P.O. Box 7184, Kampala  
tel: 256-41-233-440; fax: 256-41-244-801

### World Food Program

P.O. Box 7184  
tel: 256-41-244-010; fax: 256-41-251-760

## Uganda Commercial Banks

### Uganda Commercial Bank

P.O. Box 973, Kampala  
tel: 256-41-234-710; fax: 256-41-242-694

### Crane Bank Ltd.

P.O. Box 22572, Kampala  
tel: 256-41-241-414; fax: 256-41-231-578

Gold Trust Bank (U) Ltd.  
P.O. Box 70, Kampala  
tel: 256-41-231-784; fax: 256-41-231-687

Nile Bank  
P.O. Box 2834, Kampala  
tel: 256-41-245-571; fax: 256-41-257-779

Barclays Bank (U) Ltd.  
P.O. Box 2971, Kampala  
tel: 256-41-232-594; fax: 256-41-259-467

Bank of Baroda (U) Ltd.  
P.O. Box 7197, Kampala  
tel: 256-41-233-680; fax: 256-41-258-263

Stanbic Bank (U) Ltd.  
P.O. Box 7131, Kampala  
tel: 256-41-230-811; fax: 256-41-231-116

Standard Chartered Bank (U) Ltd.  
P.O. Box 7111, Kampala  
tel: 256-41-258-211; fax: 256-41-231-473

#### F. Market Research

A complete list of market research is available on the NTDB.

#### G. Trade event schedule

The annual International Trade Fair, sponsored by the Uganda Manufacturers Association, is held in early October. The United States Embassy in Kampala encourages local and regional representatives of American manufactured goods to display their products at the U.S. pavilion at the fair. Please contact the U.S. Embassy for more information.